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CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE 12 March 1955

MEMORANDUM FOR:

Deputy Director (Intelligence)

SUBJECT:

Offshore Island Situation

General

Peiping Radio on 11 March quotes the Tientsin press as asserting that Secretary Dulles, in his 8 March speech, revealed "that the US was clearly preparing to invade China from the 'south, center and north'...." American policies as regards Formosa, the offshore islands, Korea and Indochina are described as all aimed primarily at an attack on Communist China. The official People's Daily has not yet commented, but its line is expected to include this distortion of the 25X1 Secretary's remarks.

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According to the press, Chinese Communists on 11 March fired 52 rounds of artillery on Tatan and Erhtan, two small islands held by the Nationalists a few miles west of the Quemoys. Communist shelling of the Quemoys has been light in recent weeks, but firing has been directed almost exclusively at Tatan and Erhtan in the past 10 days.

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There is no clear evidence as to Communist intentions in this area, but it is quite possible that one of their first moves would be to take Tatan and Erhtan in an effort to probe for US and Nationalist reaction. A battalion of about 400 Nationalist regulars now garrisons the islands, which the 25X1 Communists could capture easily.

An unconfirmed Taipei press report claims 122mm field guns have fired on Quemoy for the second straight day.

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